



A TPP Agreement: An Opportunity for America

Overview

- The United States and 11 other countries are currently negotiating a Trans-Pacific Partnership (TPP) agreement, which will strengthen trade and investment relationships across the Asia-Pacific region.
- The TPP will help expand existing trade between the United States and six current free trade agreement (FTA) partners, which will support economic growth and jobs in America. (*Opportunity #1, Page 3*)
- The TPP will also open new markets for the United States with five Asia-Pacific countries that are not current FTA partners, benefiting a variety of U.S. businesses, farmers, and workers. (*Opportunity #2, Page 4*)
- In addition, the TPP will help increase investment ties between the United States and all TPP countries, supporting U.S. economic growth and American jobs. (*Opportunity #3, Page 5*)

What Is the TPP?

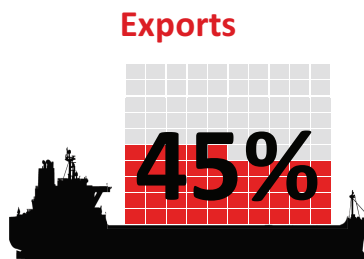
The United States and 11 other countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam) are negotiating a Trans-Pacific Partnership (TPP) agreement that will support economic growth and jobs by removing trade barriers for goods and services, improving intellectual property protection, and creating new 21st century trade rules. The TPP will help increase the United States' trade and investment ties with these countries, which have a combined population of 482 million people and account for about 15 percent of global trade.¹ For additional information on the TPP negotiations, please see <http://businessroundtable.org/studies-and-reports/trans-pacific-partnership-overview/>.

Trade & Investment with TPP Countries Is Good for the United States

The United States has important trade and investment ties with TPP countries. In 2011, trade — exports and imports of goods and services — with TPP countries supported an estimated 14.9 million American jobs.² The TPP will help build on these trade and investment relationships and support the U.S. jobs that depend on them.



Number of American Jobs Supported by Trade with TPP Countries



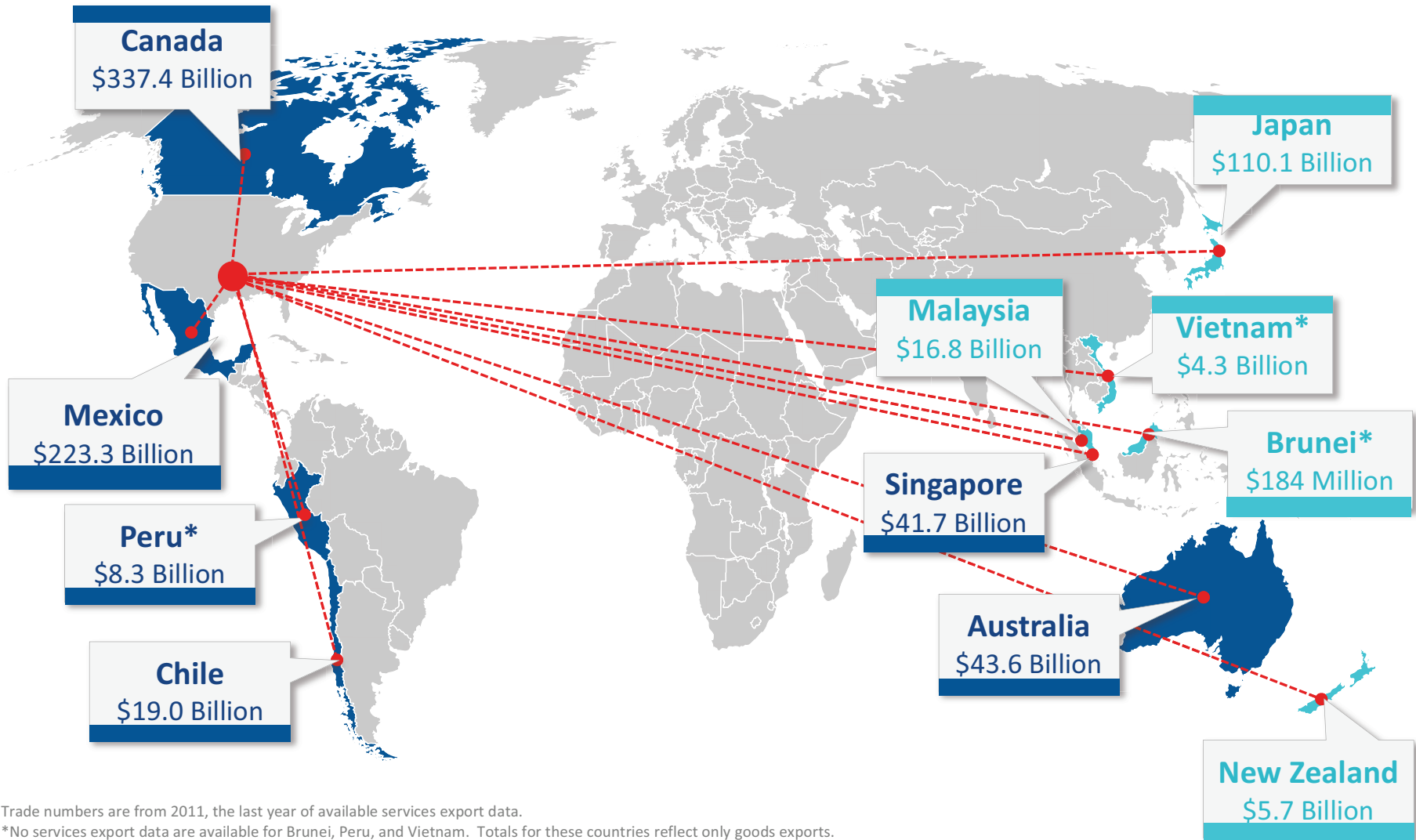
Share of U.S. Goods Exports Bound for TPP Countries



Number of TPP Companies with Investments in the United States

U.S. Goods & Services Exports to TPP Countries, 2011

■ Existing FTA Partner ■ New FTA Partner



Trade numbers are from 2011, the last year of available services export data.

*No services export data are available for Brunei, Peru, and Vietnam. Totals for these countries reflect only goods exports.

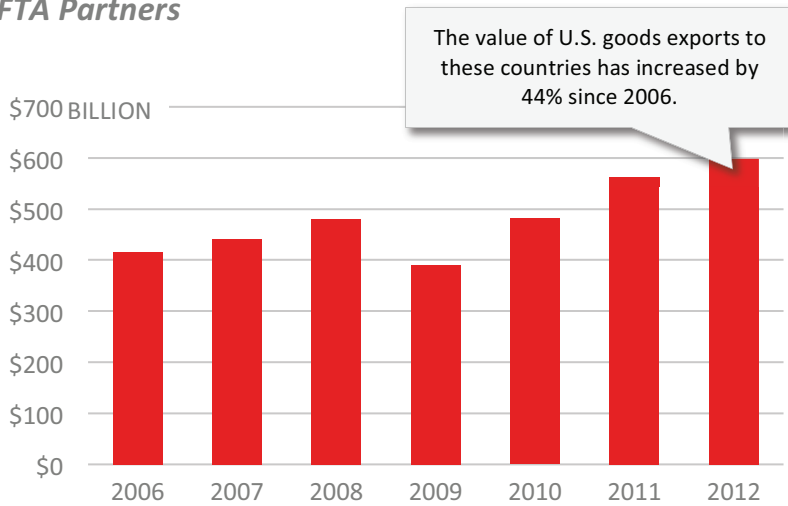
Source: U.S. Department of Commerce, U.S. Census Bureau and U.S. Bureau of Economic Analysis data

Opportunity #1: Expand Trade between the United States and Existing FTA Partners

The regional TPP agreement will provide the United States with an opportunity to increase its goods and services trade with several existing bilateral FTA partners and ensure that such trade remains rules-based, open, and competitive. Of the 11 TPP countries, six (Australia, Canada, Chile, Mexico, Peru, and Singapore) are current U.S. FTA partners and generate substantial trade in both goods and services:

- The United States exported about *\$598.3 billion worth of goods* (e.g., motor vehicles and parts; petroleum and coal products; and agricultural and construction equipment) to these six countries in 2012 — accounting for roughly 39 percent of U.S. goods exports globally.³
- The United States exported about *\$110.8 billion worth of services* (e.g., travel services; business, professional and technical services, and financial services) to these six countries in 2011 — accounting for roughly 19 percent of U.S. services exports globally.⁴

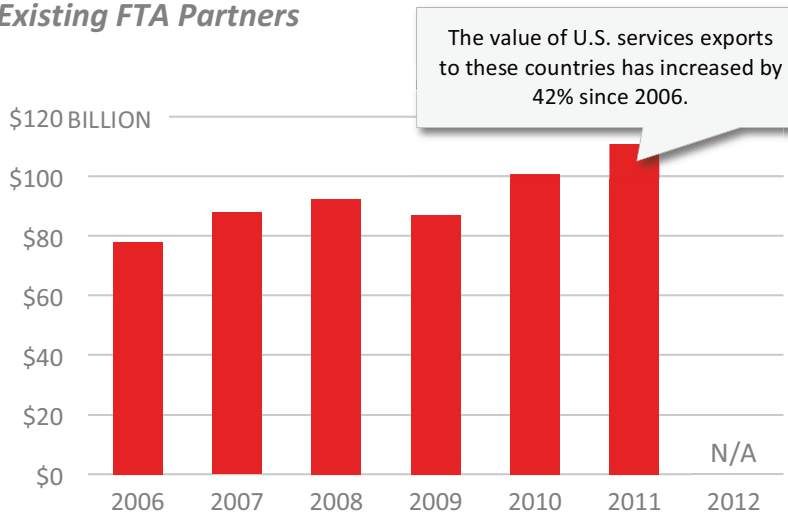
U.S. Goods Exports to TPP Countries that Are Existing FTA Partners



Source: U.S. Department of Commerce, U.S. Census Bureau

Completing the TPP agreement will help support this trade and ensure that it is subject to 21st century trade rules. Specifically, the TPP negotiations provide an opportunity to grow these goods and services exports over time and to address a range of important tariff and non-tariff barriers that currently impede exports to these countries.

U.S. Services Exports to TPP Countries that Are Existing FTA Partners



Source: U.S. Department of Commerce, U.S. Bureau of Economic Analysis

The TPP will also help American companies buy the inputs they need to produce competitive products. Currently, roughly 64 percent of all U.S. imports from TPP countries consist of raw materials, components, machinery, and other goods used to grow crops or make products in the United States.⁵ For example, Canada and Mexico serve key roles in global supply chains. A significant share of the value of U.S. imports from Canada and Mexico (71 percent and 61 percent, respectively) is used as intermediate inputs for making finished U.S. products.⁶ A TPP agreement will help to support these global supply chains and facilitate further trade with current bilateral FTA partners.

Opportunity #2: Open New Markets in Countries that Are Not Current FTA Partners

The TPP will also provide the United States with an opportunity to open new markets for its goods and services in countries that are not current FTA partners. Of the 11 TPP countries, five (Brunei, Japan, Malaysia, New Zealand, and Vietnam) are not current U.S. FTA partners. With a combined population of 249 million people and a combined economy of \$6.4 trillion dollars, these “new FTA” TPP countries have the potential to be vibrant new markets for U.S. exports.⁷

The United States has good trade ties with several of these countries. The United States exported \$90.8 billion in goods in 2012 and \$49.1 billion in services in 2011 to the “new FTA” TPP countries.⁸ However, American producers currently face steep tariffs and other barriers on certain exports to these countries. The TPP negotiations will provide an avenue for removing these barriers and increasing U.S. exports.

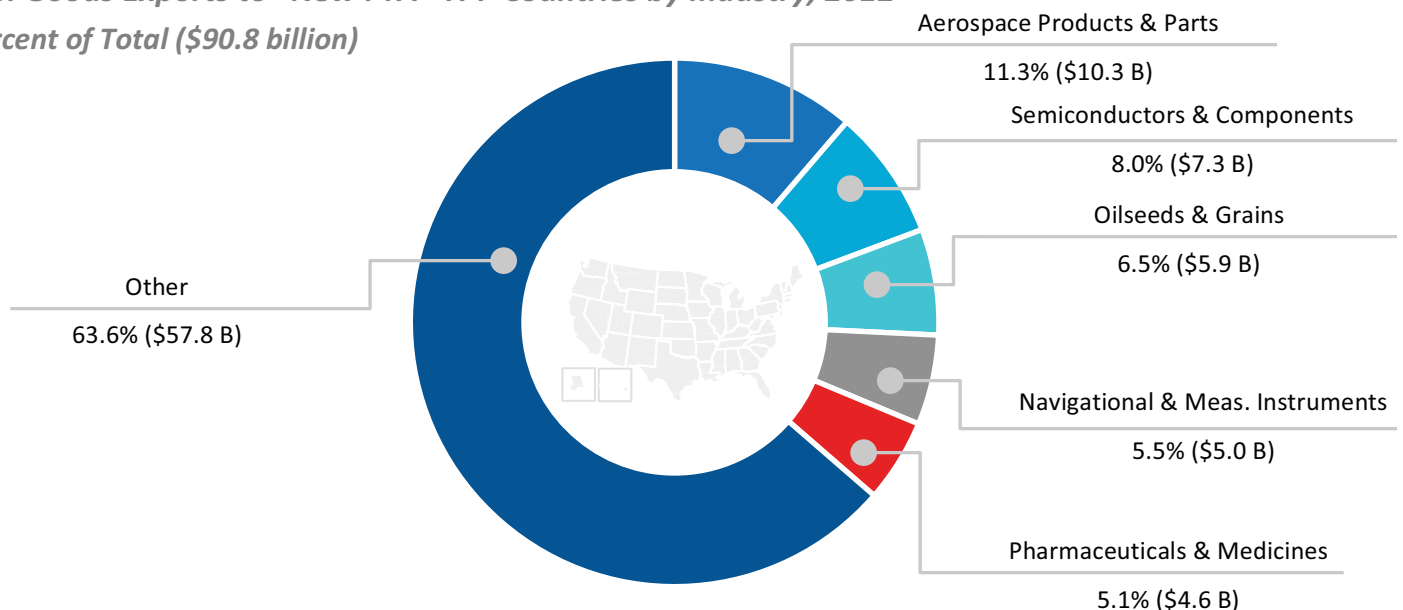
Current Tariffs on Selected Top U.S. Exports to “New FTA” TPP Countries

Export Market	Product	Tariff Rate
Vietnam	Passenger vehicles	Up to 83.0%
Japan	Fresh or frozen beef	38.5%
Malaysia	Pumps and compressors	Up to 30.0%
Japan	Prepared foods	Up to 29.8%
New Zealand	Lactose products	5.0%

Source: UNCTAD’s TRAINS database

In addition, the TPP could potentially expand the number of American producers who benefit from trade because the “new FTA” TPP countries tend to buy a diverse mix of products.

U.S. Goods Exports to “New FTA” TPP Countries by Industry, 2012
Percent of Total (\$90.8 billion)



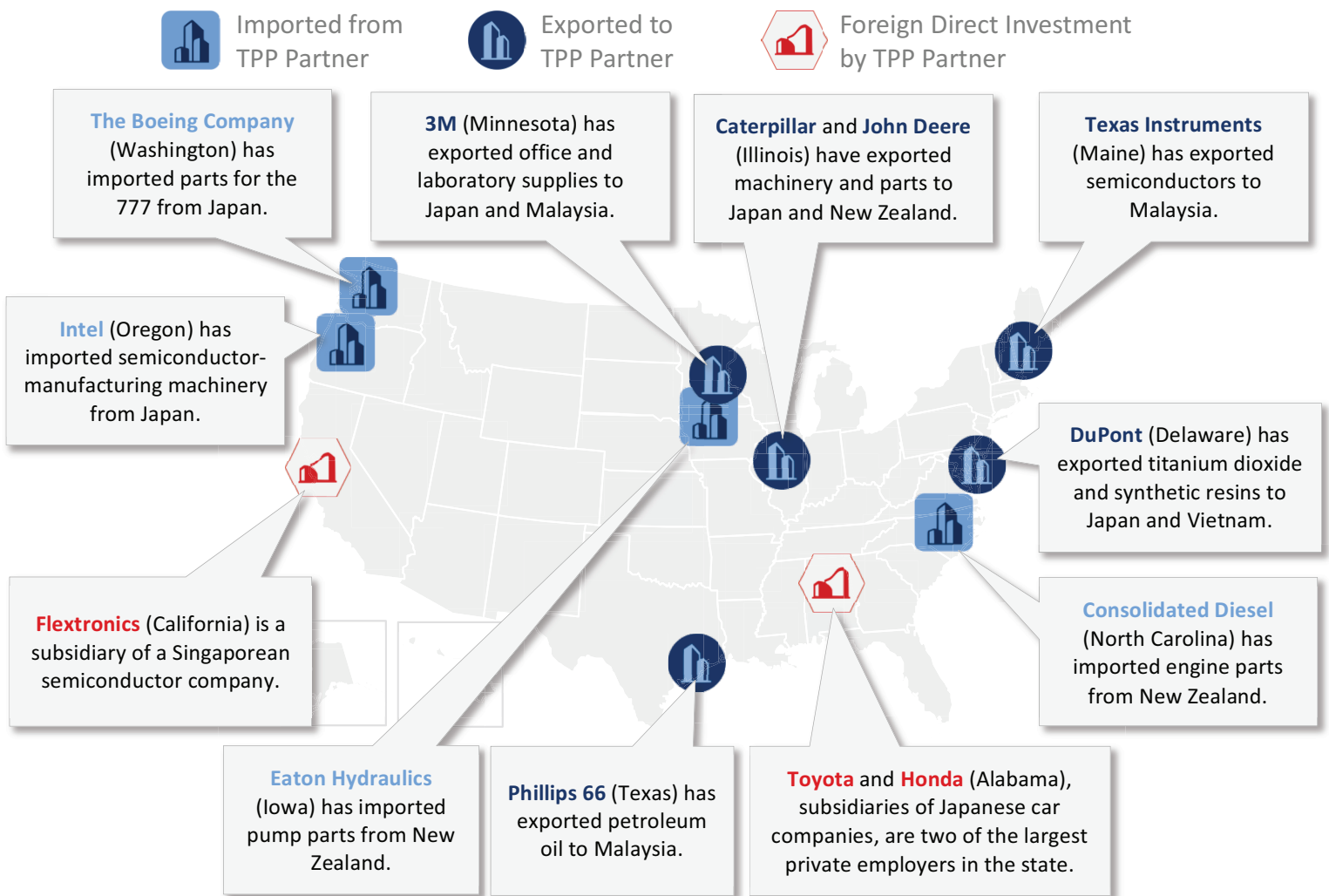
Source: U.S. Department of Commerce, U.S. Census Bureau data

Opportunity #3: Strengthen Investment Ties between the United States & All TPP Countries

The TPP will help strengthen investment ties between the United States and all 11 TPP countries. Companies headquartered in TPP countries have already invested nearly \$600 billion in the United States and employ more than 1.5 million Americans.⁹ An estimated 14,000 U.S. businesses are subsidiaries of companies based in TPP countries — serving as an important source of business investment and job creation in the country.¹⁰ For instance, Canadian and Japanese companies alone employed nearly 1.2 million American workers in 2010.¹¹

By removing barriers and strengthening partnerships, the TPP will encourage companies based in TPP countries to increase their business investment in the United States, supporting economic growth and jobs throughout the country.

Selected American Companies with Existing Trade & Investment Ties to TPP Countries



Source: Panjiva; Uniworld BP

Endnotes

¹ World Bank; World Trade Organization's 2012 Trade Profiles.

² The Trade Partnership using the Global Trade Analysis Project model. Note: 2011 is the most recent year available for services export data; services export data are not available for all TPP countries. "Goods" refers to all goods, including agricultural goods, manufactured products, and raw materials.

³ U.S. Department of Commerce, U.S. Census Bureau data.

⁴ U.S. Department of Commerce, U.S. Bureau of Economic Analysis data.

⁵ The Trade Partnership derived from U.S. Department of Commerce, U.S. Census Bureau data.

⁶ The Trade Partnership derived from U.S. Department of Commerce, U.S. Census Bureau data.

⁷ World Trade Organization's 2012 Trade Profiles.

⁸ U.S. Department of Commerce, U.S. Census Bureau and U.S. Bureau of Economic Analysis data.

⁹ U.S. Department of Commerce, U.S. Bureau of Economic Analysis.

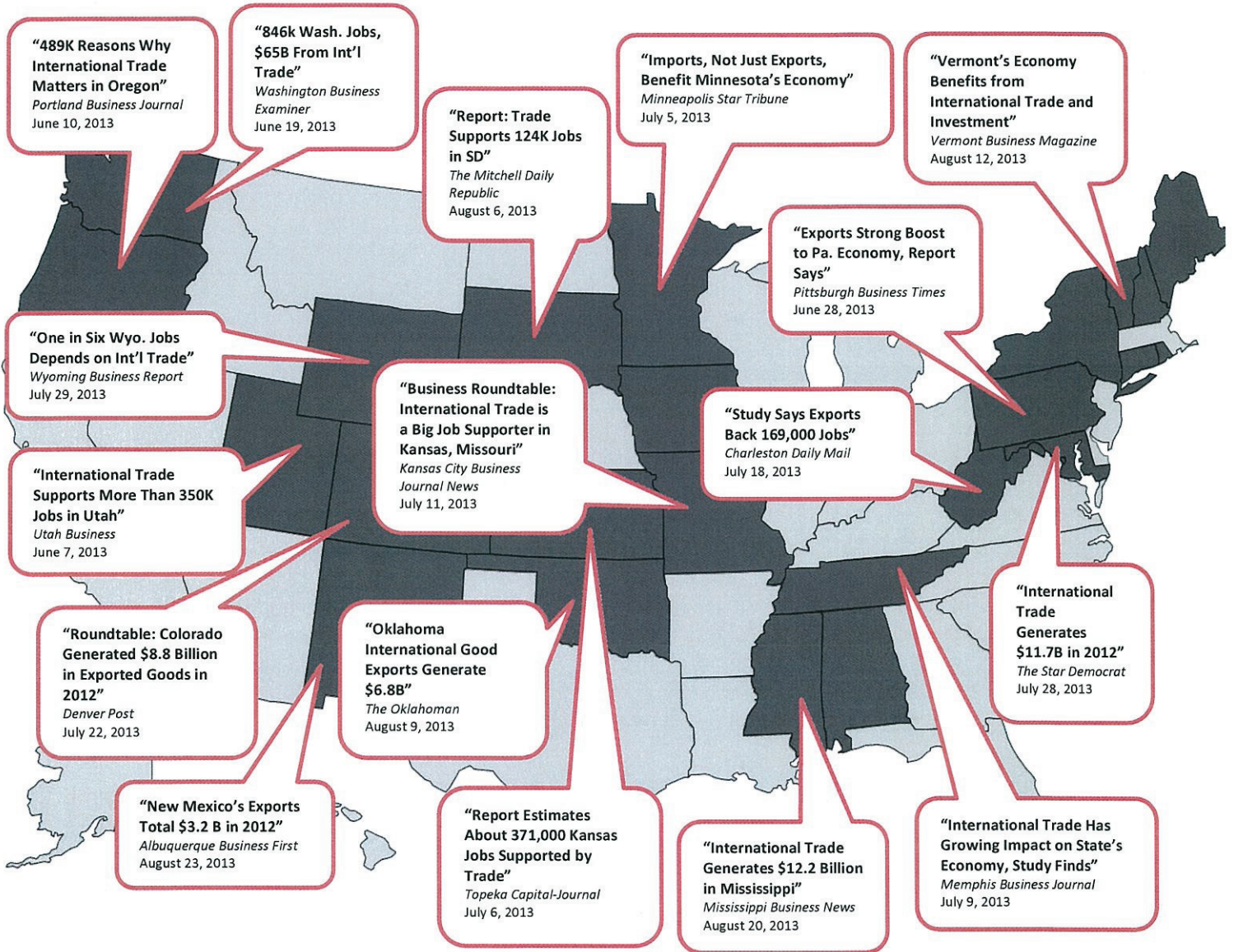
¹⁰ Uniworld BP, Directory of Foreign Investment in the United States.

¹¹ U.S. Department of Commerce, U.S. Bureau of Economic Analysis.



October 8, 2013

U.S. International Trade and Investment Benefits Every State



For more information on how trade and U.S. trade agreements benefit each state and on the importance of passing Trade Promotion Authority to provide more benefits, click [here](#).

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The Trade Benefits America Coalition includes a wide range of associations and companies that are dedicated to the pursuit of U.S. international trade agreements that benefit American businesses, farmers, workers, and consumers. The Coalition believes that passage of updated Trade Promotion Authority (TPA) legislation is important to help ensure America continues to benefit from trade.

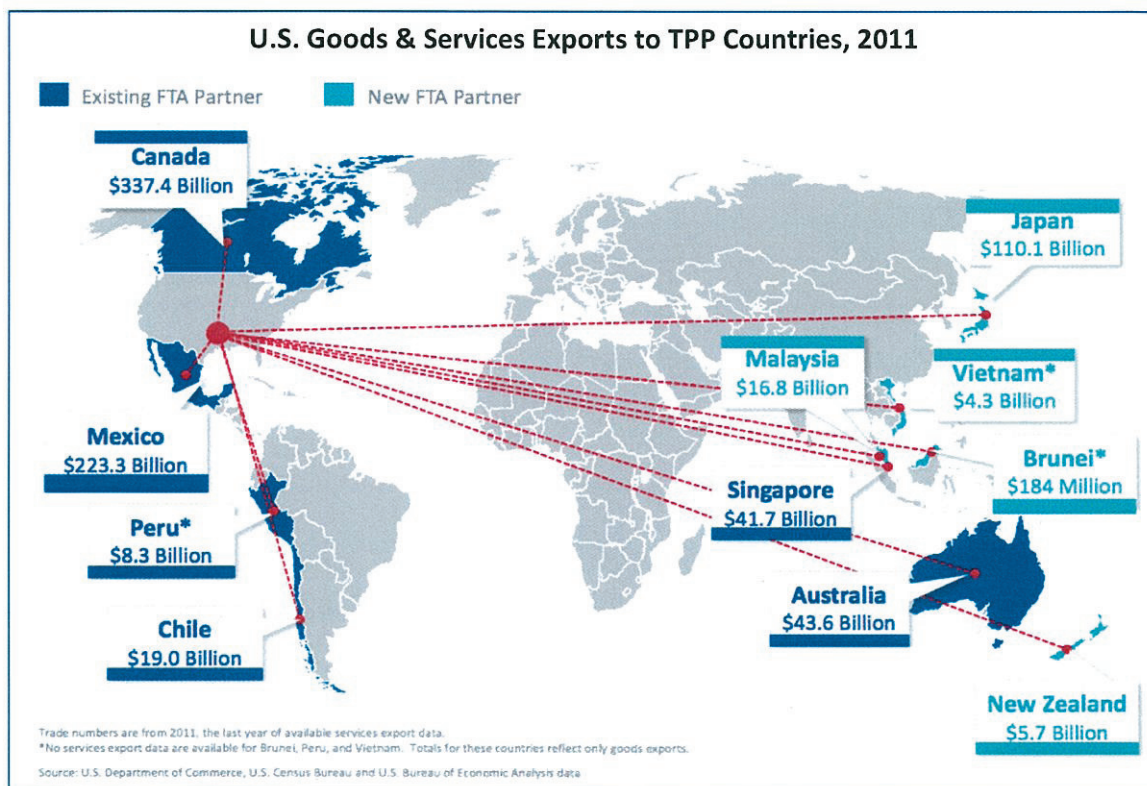


October 22, 2013

TPP: An Opportunity for U.S. Economic Growth and Jobs

The Trans-Pacific Partnership (TPP) agreement under negotiation between the United States and 11 other countries – Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam – will strengthen trade and investment across the Asia-Pacific region. These markets are critical for U.S. goods and services exports, and a high-standard TPP agreement will help to bolster the U.S. economy and support jobs.

- In 2012, trade with the TPP countries supported an estimated **14.9 million American jobs** and **45 percent of U.S. goods exports** went to those countries.
- U.S. goods exports to the six TPP countries that are current U.S. free trade agreement (FTA) partners – Australia, Canada, Chile, Mexico, Peru and Singapore – accounted for **nearly 40 percent of U.S. good exports globally** in 2012 and **nearly 20 percent of services exports globally** in 2011.
- The United States exported **\$90.8 billion in goods** in 2012 and **\$49.1 billion in services** in 2011 to the “new FTA” countries – Brunei, Japan, Malaysia, New Zealand and Vietnam.



For more information on how trade and U.S. trade agreements, including TPP, benefit America and on the importance of passing Trade Promotion Authority to provide more benefits, click [here](#).

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